

BEFORE THE  
ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF: )  
 )  
SIGMA NETWORKS )  
TELECOMMUNICATIONS, INC. )  
 ) No. 00 -0466  
Application for a certificate )  
of local and interexchange )  
authority to operate as a )  
reseller and facilities-based )  
carrier of telecommunications )  
services throughout the State )  
of Illinois. )

Chicago, Illinois  
September 19, 2000

Met pursuant to notice at 2:00 p.m.

BEFORE:  
CLAUDIA SAINOT, Administrative Law Judge.

APPEARANCES:

SWIDLER & BERLIN, by  
MR. BRIAN MCDERMOTT and MS. KATE ROTH,  
3000 K Street, Northwest, Suite 3000  
Washington, D.C., 20007  
Appearing for the Applicant;

MR. ROBERT KOCH and MS. BARBARA LANGFORD,  
527 East Capitol Avenue  
Springfield, Illinois 62794  
Appearing for Staff of the ICC.

SULLIVAN REPORTING COMPANY, by  
Steven T. Stefanik, CSR

1	I N D E X				
2	Witnesses:	Direct	Cross	Re - direct	Re - cross By Examiner
3	PHILIP LIN	5	12		16

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7	E X H I B I T S		
8	Number	For Identification	In Evidence
9	Petitioner No. 1	9	
10	Petitioner No. 2	9	

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1 JUDGE SAINCOT: By the authority vested in me by  
2 the Illinois Commerce Commission, I now call Docket  
3 No. 00-0466. It is the application of Sigma  
4 Networks Telecommunications, Inc., for a certificate  
5 of local and interexchange authority to operate as a  
6 reseller and facilities-based carrier of  
7 telecommunications services throughout the State of  
8 Illinois.

9 Will the parties identify themselves for  
10 the record, please.

11 MR. MC DERMOTT: Brian McDermott and Kate Roth,  
12 Swidler, Berlin, Scherer, Friedman, 3000 K Street,  
13 Northwest, Suite 3000, Washington, D.C. 20007.  
14 Phone number, (202) 424-7500. Fax number, (202)  
15 424-7645. And we're counsel for the applicant,  
16 Sigma Networks Telecommunications, Inc.

17 MR. KOCH: For Staff, this is Robert Koch,  
18 K-o-c-h, telecommunications division, Illinois  
19 Commerce Commission, 527 East Capitol, Springfield,  
20 Illinois.

21 MS. LANGFORD: Barb Langford, consumer services  
22 division, Illinois Commerce Commission, 527 East

1 Capitol, Springfield, Illinois.

2 JUDGE SAINSOT: Okay. Mr. McDermott, would you  
3 like to call your first witness, please.

4 MR. MC DERMOTT: Yeah, I call Phil Lin to adopt  
5 the testimony of John Peters.

6 JUDGE SAINSOT: Mr. Lin, could you state your  
7 name and spell it, please, and your address for the  
8 record, please?

9 MR. LIN: Sure. My name is Philip Lin,  
10 P-h-i-l-i-p. Last name is spelled L-i-n. I am the  
11 vice president of business development for Sigma  
12 Networks Telecommunications, Inc. My business  
13 address is 1290 Parkmore Avenue, Third Floor, San  
14 Jose, California 95126, and my telephone number is  
15 (408) 371-7500.

16 JUDGE SAINSOT: Mr. Lin, I'm going to swear you  
17 in at this time.

18 (Witness sworn.)

19 JUDGE SAINSOT: Okay. You can proceed.

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1                   PHILIP LIN,  
2   called as a witness herein, having been first duly  
3   sworn, was examined and testified as follows:

4                   DIRECT EXAMINATION

5                   BY

6                   MR. MC DERMOTT:

7       Q.    Thank you.

8                   Mr. Lin, will you please briefly describe  
9   your background and qualifications?

10      A.   Yes, I have over six years of business  
11   experience in the telecommunications industry,  
12   having provided a broad range of business services  
13   to long distance ILECs and CLEC providers.

14                  I spent six years at Kluge and Company, a  
15   New York based private equity firm.  And while  
16   there, I was responsible for the business affairs of  
17   many portfolio companies, including Metromedia Fiber  
18   Network, which is a leading provider of dark fiber  
19   in metro markets.

20                  I assumed responsibility for the  
21   corporate development and strategic planning  
22   function and led and structured many of the

1 transactions which have shaped the strategic and  
2 financial direction of these portfolio companies.

3           And prior to joining Kluge and Company, I  
4 was involved with strategic planning at Pepsico.  
5 And before that, I was involved with corporate  
6 finance work at Chase Manhattan Bank in New York.

7       Q.    Thank you.

8           Since the time of the filing of the  
9 original application, can you tell me which states  
10 Sigma has been authorized to provide local exchange  
11 telecommunications services?

12       A.   Sigma has been authorized to provide local  
13 exchange services in the states of Washington,  
14 Colorado, Texas, Kansas, Kentucky, New York and  
15 Massachusetts. And Sigma has pending applications  
16 in a number of other states and has not been denied  
17 authorization in any state.

18       Q.    Just for clarification, has Sigma began to  
19 provide service in any state?

20       A.    No, Sigma has not began to provide service  
21 in any state.

22       Q.    Okay. Mr. Lin, do you have a copy of a

1 document entitled Prefiled Testimony of John Peters  
2 on behalf of Sigma Networks Telecommunications,  
3 Inc.?

4 A. Yes, I do.

5 Q. Have you reviewed the testimony and are you  
6 familiar with its contents?

7 A. Yes, I am.

8 Q. If I were to ask you the questions that are  
9 contained in that document today, would your answers  
10 be the same, or if not, do you have any corrections  
11 to make at this time?

12 A. No, I have no corrections. The answers  
13 would be the same with the exception of John's  
14 description of his experience and background.

15 MR. MC DERMOTT: Okay. I have no further  
16 questions of the witness.

17 I request that the prefiled testimony be  
18 received into evidence as if it was provided orally  
19 today.

20 If it has not been already admitted into  
21 the record, I would also request that Sigma's  
22 application which was filed with the Commission on

1 June 28, be admitted into the record.

2 Thank you.

3 JUDGE SAINSOT: Any objection from Staff?

4 MR. KOCH: No, your Honor.

5 MS. LANGFORD: No.

6 JUDGE SAINSOT: Okay. For the record, Mr. Lin,  
7 you'd said something about the background of  
8 Mr. Peters?

9 MR. LIN: Yes.

10 JUDGE SAINSOT: That is because your backgr ound  
11 differs from that of Mr. Peters that you would not  
12 adopt that?

13 MR. LIN: That's correct.

14 JUDGE SAINSOT: Okay. Your motion is granted.

15 Petitioner's Exhibit 1, which is the  
16 prefiled testimony of John Peters, now Phillip  
17 Lin -- and it has been stricken -- physically  
18 stricken by me -- is entered into evidence.

19 And the application for a certificate to  
20 become a telecommunications carrier by Sigma  
21 Networks is Petitioner's Exhibit No. 2, and that is  
22 entered into evidence.



1 (Whereupon, Petitioner's  
2 Exhibit Nos. 1 and 2 were  
3 marked for identification  
4 as of this date.)

5 JUDGE SAINSOT: Anything further, Counsel?

6 MR. MC DERMOTT: Not from us.

7 JUDGE SAINSOT: Staff?

8 MS. LANGFORD: This is Barb Langford and I have  
9 a couple of questions.

10 CROSS-EXAMINATION

11 BY

12 MS. LANGFORD:

13 Q. And this is just for the record, No. 3 of  
14 the application, I need to clarify that you are at  
15 some time planning on providing voice service.

16 Because in the testimony on Page 6,  
17 Question 1 states that you do plan to offer voice  
18 service in the future.

19 A. Well, our response is that we are not  
20 currently planning in the near term to provide voice  
21 services. However, we -- you know, we would like to  
22 have the ability to provide that in the future if

1 our near-term plans change.

2 Q. Okay. And you do realize that you must  
3 abide by all parts of 83 Illinois Administrative  
4 Codes, if and when you operate as a local exchange  
5 carrier, which goes along with No. 20 of the  
6 application which you had marked as no.

7 A. Yes, we understand that. And to the extent  
8 that we provide nondedicated private line services  
9 and voice services, Sigma Networks will abide by all  
10 the Commission rules.

11 Q. Okay. And in No. 15 of the application,  
12 will you be providing a monthly detailed billing  
13 statement and will it list all the services,  
14 features, taxes and surcharges?

15 A. Yes.

16 Q. Okay. What are your business hours?

17 A. Regular business hours are 9:00 to 5:00  
18 p.m., Pacific time.

19 Q. Okay. And you state that you will -- that  
20 you have procedures in place when you provide voice  
21 grade service for slamming.

22 What about cramming, will you have

1 guidelines in place for that also?

2 A. We have not currently put guidelines in  
3 place for cramming, but to -- when we -- when we  
4 plan to provide voice services in the future, we  
5 will put these guidelines in place.

6 Q. Okay. And No. 20 of the application, when  
7 you operate as a local exchange carrier -- so that  
8 kind of goes long with one of these others -- with  
9 No. 3. I think I've already addressed that.

10 In the testimony on Page 2, Question 6,  
11 you state that you are seeking authority to provide  
12 all forms of telecommunications in Illinois. But on  
13 No. 9 of the application, you state that you will  
14 not provide end user services at the present time.

15 Do you know how long it will be before  
16 you actually market for local and interexchange  
17 services?

18 A. No, we don't have a current read on that.

19 MS. LANGFORD: Okay. That's all the questions I  
20 have.

21 Thank you.

22 JUDGE SAINOT: Mr. Koch?

1       MR. KOCH:    Yes, I did have a couple, if you'll  
2   bear with me.  They all have to do with 911  
3   provisioning.

4       JUDGE SAINOT:    Okay.

5                    CROSS-EXAMINATION

6                    BY

7                    MR. KOCH:

8       Q.    And each of the questions, I guess we can  
9   preface with when you operate as a voice  
10  telecommunications provider.

11    A.    Okay.

12    Q.    Will your company ensure that 911 traffic is  
13  handed in accordance with Code Part 725 and the  
14  Emergency Telephone Systems Act?

15    A.    Yes.

16    Q.    Will your company contact and establish a  
17  working relationship with the 911 system when you  
18  begin to provide local telephone service?

19    A.    Yes.

20    Q.    Okay.  Will your company coordinate with the  
21  incumbent LEC and local 911 systems to provide -- an  
22  apparent (phonetic) service for your local exchange

1 customers?

2 A. Yes.

3 Q. Okay. Who will be responsible for building  
4 and maintaining the 911 database for your local  
5 exchange customers?

6 A. To the extent that we're providing  
7 nondedicated voice services, Sigma Networks will be  
8 responsible for that function.

9 Q. Can I have a name and contact?

10 A. Lonny Orona, and Lonny's -- Lonny's -- Lonny  
11 can be reached at (408) 271-7500.

12 Q. And the address?

13 A. The address is 1290 Parkmore Avenue, Third  
14 Floor, San Jose, California 95126.

15 Q. And could you spell the name of the --

16 A. Yes. Lonny is spelled L-o-n-n-y. It's  
17 Mr. Lonny Orona, and Orona -- I'm sorry -- is  
18 O-r-o-n-a.

19 Q. Okay. How often will your company update  
20 the 911 database with customer information?

21 A. We would plan to update that on a monthly  
22 basis, to the extent we're providing voice services.

1 Q. On a monthly basis?

2 A. Yes.

3 Q. In Illinois, Code Part 725 specifies that a  
4 daily update is necessary. Will you be able to do  
5 that?

6 A. Yes. To the extent we're providing voice  
7 services, we will comply with those rules.

8 Q. Will your company's billing system have the  
9 ability to distinguish between facilities-based and  
10 resale for the collection of the 911 surcharge?

11 A. Currently, we are structured -- we are  
12 designing the OSS systems for the company. And  
13 prior to providing 911 services -- prior to  
14 providing voice services, we will ensure that we  
15 have these features built into the billing system.

16 Q. Okay. Does your company have procedures for  
17 the transitioning of the 911 surcharge collection  
18 and disbursement to the local 911 system?

19 A. Currently, those procedures don't exist.  
20 However, we will put them in place before providing  
21 voice services.

22 Q. Will your company's proposal or future

1 facilities require any network changes to any of the  
2 911 systems?

3 A. Not to my knowledge.

4 Q. Will you contact this Commission if it  
5 becomes apparent that 911 -- network changes to any  
6 of the 911 systems would have to occur?

7 A. Yes, we will contact the Commission.

8 Q. Okay. Does your company plan to file for a  
9 waiver of Code Part 725.500, 725.620 for the  
10 provisioning of call boxes in the future?

11 A. I am actually not certain whether we're  
12 planning to ask for a waiver. I'd like to ask my  
13 counsel.

14 MR. MC DERMOTT: Yeah. As far as that goes, we  
15 haven't asked for a waiver to this point because  
16 their plans for voice services haven't materialized  
17 to the point whether we determined such a waiver  
18 would be necessary.

19 But at such time as provide -- before  
20 providing those voice services, we would either  
21 abide by all Commission rules regarding call boxes  
22 or we would ask for a waiver of such provisions.

1 MR. KOCH: Okay. Who testified to that?

2 JUDGE SAINSOT: I'm not sure that was testimony.

3 That was the position.

4 MR. MC DERMOTT: That was just a clarification.

5 That was Brian McDermott, counsel for the applicant.

6 MR. KOCH: Okay. Okay.

7 MR. MC DERMOTT: I think -- I wasn't sure that

8 Phil was familiar with the term call boxes and what

9 that requirement was connected with.

10 MR. KOCH: I understand.

11 MR. KOCH: Okay. Those are all the questions I

12 have.

13 JUDGE SAINSOT: Anything further from staff at

14 all?

15 MS. LANGFORD: No.

16 JUDGE SAINSOT: Okay. I have a few quick

17 questions.

18 EXAMINATION

19 BY

20 JUDGE SAINSOT:

21 Q. Could maybe you identify the LEC facilities

22 you will be using in your immediate plan?



1       A.    The facility we'd be using from the ILECs  
2 primarily consist of central office location space.

3       Q.    Okay.  And you want resold authority.  Is  
4 that for your long distance -- long-term plan of --  
5 I mean, my guess -- let me just make it a little  
6 more direct.

7               What do you plan to do with resold  
8 authority?

9       A.    Yeah, we -- it would be in our long-term  
10 plans.  Our immediate plans would not be to  
11 resell -- resell ILEC services.

12      Q.    Okay.  I think -- oh, one more question.

13             And you understand that you have to file  
14 your rates and tariffs with the Commission for your  
15 service offering?

16      A.    Yes.

17      JUDGE SAINSOT:  Okay.  All right.  Is there any  
18 recommendation from staff?

19      MR. KOCH:  Sure.  This is Robert Koch.

20             Staff sees no reason why this certificate  
21 cannot be granted.

22      JUDGE SAINSOT:  Ms. Langford?

1 MS. LANGFORD: I agree.

2 JUDGE SAINOT: Okay. There being nothing  
3 further, the record will be marked heard and taken.

4 HEARD AND TAKEN. . . .

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CERTIFICATE OF REPORTER

STATE OF ILLINOIS )  
 )  
COUNTY OF DU PAGE )  
  
CASE NO. 00-0466

TITLE: SIGMA NETWORKS TELECOMMUNICATIONS  
I, Steven Stefanik do hereby certify that I am a  
court reporter contracted by SULLIVAN REPORTING  
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shorthand the evidence taken and the proceedings had  
in the hearing on the above-entitled case on the  
19th day of September A.D. 2000; that the foregoing  
18 pages are a true and correct transcript of my  
shorthand notes so taken as aforesaid, and contains  
all the proceedings directed by the Commission or  
other person authorized by it to conduct the said  
hearing to be stenographically reported.

Dated at Chicago, Illinois, this 27th day  
of September A.D. 2000.

REPORTER